GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:818
ANSWERED ON:22.11.2001
AGREEMENT SIGNED BY ONGC
A.D.K. JEYASEELAN

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Oil and Natural Gas Corporation (ONGC) has signed agreements for offshore projects abroad;

(b) if so, the details thereof; and

(c) the estimated amount likely to be earned from foreign projects?

Answer

Minister of State in the Ministry of Petroleum & Natural Gas (Shri Santosh Kumar Gangwar)

(a) to (c): On 19.5.1988 ONGC Videsh Ltd. (OVL) a wholly owned subsidiary of Oil & Natural Gas Corporation Ltd.(ONGC) ha signed a Petroleum Production Sharing Contract(PSC) with Petrovietnam, the national oil company of Vietnam. The exploration efforts undertaken under the PSC have resulted in discovery of gas reserves in the offshore Block 06.1, which is being developed by OVL in partnership with British Petroleum, Statoil and Petrovietnam.In this project OVL has a stake of 45% and its share in development cost thereof is about US $ 228 million (Rs.1,075 crore)

On 10.2.2001 OVL had signed an agreement with the Rosneft, the national oil company of Russia to acquire 20% participating interest from it in the Sakhalin-I offshore project. The total investment of OVL in the project is estimated to be around US $ 1.7 billion (Rs.8,000 crore)

OVL has also signed an Exploration and Development contract for Exploration Block 8 in Iraq with Oil Exploration Company of Ministry of Oil, Iraq on 28.11.2001. This project is in the exploration stage.

The Vietnam Gas Project and the Sakhalin-I Project are expected to give a return of over 20% and 15% respectively on OVL`s investments.